



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Base Charge and Rates.

SUMMARY: Western Area Power Administration (Western) is proposing an adjustment to the Boulder Canyon Project (BCP) electric service base charge and rates. The current base charge and rates under Rate Schedule BCP-F9 expire September 30, 2016. The current base charge is not sufficient to cover all annual costs including operation and maintenance, replacements, and interest expense; and repay investment obligations within the required period. The proposed base charge will provide sufficient revenue to cover all annual costs and to repay investment obligations within the allowable period. Western will post a detailed rate package that identifies the reasons for the base charge and rates adjustment on its Web site during the consultation and comment period. The proposed base charge and rates are scheduled to become effective October 1, 2016, and will remain in effect through September 30, 2017. Publication of this Federal Register notice initiates the formal process for the proposed base charge and rates.

DATES: The consultation and comment period begins today and will end **[INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Western will present a detailed explanation of the proposed base charge and rates at a public information forum that will be held on April 27, 2016, at 10:30 a.m. Mountain Standard Time (MST), in Phoenix, Arizona. Western will accept oral and written comments at a public comment forum

that will be held on May 25, 2016, at 10:30 a.m. MST. Western will accept written comments any time during the consultation and comment period.

ADDRESSES: The public information forum and public comment forum will be held at Western's Desert Southwest Customer Service Regional Office, located at 615 South 43rd Avenue, Phoenix, Arizona 85009. Send written comments to Mr. Ronald E. Moulton, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, e-mail moulton@wapa.gov. Written comments may also be faxed to (602) 605-2490, attention: Mr. Scott Lund, Rates Manager. Western will post information about the rate process, as well as comments received via letter, e-mail, and fax, on its Web site at: <http://www.wapa.gov/regions/DSW/Rates/Pages/boulder-canyon-rates.aspx>. Written comments must be received by the end of the consultation and comment period to be considered by Western in its decision process.

As access to Western facilities is controlled, any United States (U.S.) citizen wishing to attend the forums must present an official form of picture identification (ID), such as a U.S. driver's license, U.S. passport, U.S. Government ID, or U.S. Military ID. Foreign nationals should contact Western via Mr. Scott Lund, Rates Manager, telephone (602) 605-2442 or e-mail slund@wapa.gov 30 days in advance of the meeting to obtain the necessary form for admittance to Western.

FOR FURTHER INFORMATION CONTACT: Mr. Scott Lund, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2442, or e-mail slund@wapa.gov.

SUPPLEMENTARY INFORMATION: Rate Schedule BCP-F9 under Rate Order No.

WAPA-171 was approved on an interim basis by the Deputy Secretary of Energy for a five-year period beginning on October 1, 2015, and ending September 30, 2020.¹ Final approval is pending from the Federal Energy Regulatory Commission (FERC).

The proposed base charge and rates for BCP electric service are designed to recover an annual revenue requirement that includes investment repayment, interest, operation and maintenance, replacements, payments to states, visitor services, and uprating payments. The total costs are offset by the projected revenue from water sales, the visitor center, ancillary services, and late fees. The annual revenue requirement is the base charge for electric service divided equally between capacity and energy. The annual composite rate is the base charge divided by annual energy sales.

Rate Schedule BCP-F9 requires the annual calculation of the base charge and rates based on updated financial and hydrology data. The proposed base charge for fiscal year (FY) 2017 is \$68,572,989 and the proposed composite rate is 19.60 mills/kilowatthour. The following table compares the existing and proposed base charge and composite rate.

Comparison of Existing and Proposed Base Charge and Composite Rate

	Existing October 1, 2015 Through September 30, 2016	Proposed October 1, 2016 Through September 30, 2017	Percent Change
Base Charge (\$)	63,735,856	68,572,989	8
Composite Rate (mills/kWh)	18.33	19.60	7

The proposed FY 2017 base charge represents an increase of approximately 8 percent compared to the FY 2016 base charge. Increases in annual operation and maintenance and

¹ 80 FR 44098 (July 24, 2015).

replacement costs, and decreases in projections of non-power revenue and carryover revenue account for the overall base charge increase.

The proposed FY 2017 composite rate represents an increase of approximately 7 percent compared to the FY 2016 composite rate. Increases in the proposed base charge and forecasted energy sales account for the composite rate increase. This proposal, effective October 1, 2016, is preliminary and is subject to change upon publication of the final base charge and rates.

Legal Authority

Western will hold both a public information forum and a public comment forum. After review of public comments, Western will take further action on the proposed base charge and rates and follow procedures for public participation consistent with 10 CFR parts 903 and 904.

Western is establishing an electric service base charge and rates for BCP under the Department of Energy (DOE) Organization Act (42 U.S.C. 7152); the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent enactments; and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00A, effective December 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission.

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents Western initiates or uses to develop the proposed base charge and rates are available for inspection and

copying at the Desert Southwest Customer Service Regional Office, Western Area Power Administration, located at 615 South 43rd Avenue, Phoenix, Arizona 85009. Many of these documents and supporting information are available on Western's Web site at:

<http://www.wapa.gov/regions/DSW/Rates/Pages/boulder-canyon-rates.aspx>.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), Western is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: March 28, 2016.

Mark A. Gabriel,
Administrator.

[FR Doc. 2016-07641 Filed: 4/1/2016 8:45 am; Publication Date: 4/4/2016]